



GARY R. HERBERT

Governor

GREG BELL

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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

Inspection Report

Permit Number:	C0070045
Inspection Type:	COMPLETE
Inspection Date:	Thursday, November 03, 2011
Start Date/Time:	11/3/2011 9:12:00 AM
End Date/Time:	11/3/2011 11:10:00 AM
Last Inspection:	Thursday, September 08, 2011

Representatives Present During the Inspection:

OGM Pete Hess

Inspector: Pete Hess

Weather: Clear, cold, 22 degrees F.

InspectionID Report Number: 2916

Accepted by: jhelfric

11/29/2011

Permittee: **HEADWATERS ENERGY SERVICES**

Operator: **HEADWATERS ENERGY SERVICES**

Site: **COVOL SITE**

Address: **10653 SOUTH RIVER FRONT PARKWAY, SUITE 300, SOUTH JORDAN UT 840**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

30.00	Total Permitted
30.00	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☐ Federal
☐ State
☐ County
☐ Fee
☐ Other

Types of Operations

- ☐ Underground
☐ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee notified the Division on October 31, 2011 that it was re-activating coal processing activities. Feed stock from the West Ridge Mine is being received via Savage Coal Services on a regular basis.

Mr. Kyle Edwards represented the Permittee during today's inspection.

The Division notified the Permittee that the site was to be placed back on monthly inspections, with the suspension of temporary cessation activities.

Inspector's Signature:

Pete Hess

Pete Hess,

Inspector ID Number: 46

Date

Thursday, November 03, 2011

Note: This inspection report is not valid unless it is signed by the Division Director or a designated representative of the Division of Oil, Gas and Mining. Telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

4.a Hydrologic Balance: Diversions

The outlet of culvert C-1 (See Plate 7-2, Site Watershed and Drainage Map) was partially blocked with sediment. Mr. Edwards agreed to clean the ditch at this location.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Mr. Edwards conducted the 3rd Quarter Impoundment inspections for the East and West sediment ponds on September 22, 2011. No indications of instability or major erosive action were observed with the incised ponds. Spillways were reported as OK; the estimated sediment volumes for the East and West ponds were reported as 8 % and 5 % respectively. Mr. Edwards stated he plans to clean the East pond prior to the Annual Pond certifications, which are usually performed in December. The East pond does contain a sediment delta at the outlet of culvert C-7. The east pond contained water in the west half; the west pond was dry. The East pond spillway should be cleared of the Russian thistle plants.

4.d Hydrologic Balance: Water Monitoring

None of the sites disturbed area ditches were flowing. Neither sediment pond was close to discharge.

9. Protection of Fish, Wildlife and Related Environmental Issues

No wildlife was observed within or over the permit area.

15. Cessation of Operations

As noted above, the site was re-activated on or about October 31, 2011.

17. Other Transportation Facilities

All ROM and product is shipped via double trailer coal trucks.

20. Air Quality Permit

Air temperatures were below freezing this day. The haul roads were dry, but the opacity of the fugitive dust concentrations behind the haul trucks appeared to be in compliance with the approved air quality permit.

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21. Bonding and Insurance

The Permittee renewed the general liability insurance coverage for the COVOL Wellington site prior to October 1, 2011. Coverage will remain in effect through 10/1/2012, with coverage amounts of \$ 2,000,000 for each occurrence and \$ 4,000,000 for general aggregate being provided. Surface blasting has never been conducted at this site and there are no explosive or detonator magazines on location. The Division does not require coverage (XCU) for damage incurred from the use of explosives.